

INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2024/2025

1. EXECUTIVE SUMMARY

- 1.1 There are three audits being reported to the Audit and Scrutiny Committee.
- 1.2 The table below provides a summary of the conclusions for the audits performed. The full reports are included as appendices to this report.

Audit Name	Level of Assurance	High Actions	Medium Actions	Low Actions	VFM Actions
Schools Funds and Management of School Funds	Reasonable	2	5	0	0
Education Maintenance Allowance	High	0	0	0	0
Adult Support and Protection (HSCP)	Substantial	0	0	1	0

- 1.3 Internal Audit provides a level of assurance upon completion of audit work. A definition for each assurance level is documented in each audit report.

2. RECOMMENDATIONS

- 2.1 Audit and Scrutiny Committee to review and endorse this summary report and the detail within each individual report.

3. DETAIL

- 3.1 A high level summary of each completed audit report is noted below:

School Funds and Management of School Funds: this audit provided a reasonable level of assurance. This means that internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk. Eleven schools were visited in undertaking this review, we found that school fund management committees were not always in place, constitutions that were in place were not always up to date, committee members were not formally appointed, minutes of meetings were not recorded and evidence of decision-making was limited. The School Fund Management Circular 1.10 does not reflect digital working practices nor does it clarify roles and responsibilities sufficiently to support schools subject to interim management and staffing arrangements. The Circular is available to all staff, however it is not formally

communicated, resulting in a lack of awareness of its content, including instructions and templates to facilitate a consistent approach across all schools. Practical training is not currently provided to those involved in the management of school funds, and whilst a LEON module has been made available, there is limited knowledge of its existence. Robust processes are in place to manage funds and maintain income and expenditure records, however, these were not always followed and do not fully follow the instructions laid out in the Circular. Expenditure was authorised in all instances, however some expenditure was not authorised in compliance with set expenditure limits and documentary evidence was not always available. Appropriate arrangements were found to be in place for securing cash and cheques within each school. An annual independent audit of school fund accounts had not been arranged in the majority of schools visited. There is no process for advising when schools apply for grants and no corresponding register is maintained. Of all Argyll and Bute schools, 26 (32.5%) did not submit an annual Income and Expenditure Statement for 2022-23, limited checks are carried out to ensure these are received and there are no spot checks/reviews of individual schools' processes.

Education Maintenance Allowance (EMA): this audit provided a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. Appropriate arrangements are in place to process applications, payments and submit accurate monthly claims and year-end schedules. Awards of EMA payments were made appropriately following submission of the required documentation in support of their formal application. All payments and costs incurred were aligned with details held on the Council's general ledger and correctly reflected in the total value requested for reimbursement from Scottish Government in accordance with the terms and conditions of the offer of grant.

Adult Support and Protection (HSCP) (For Noting): this audit provided a substantial level of assurance. This means that internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale. Argyll and Bute Adult Support and Protection Partnership (the Partnership) were required to submit the Improvement Plan by November 2021, to the Link Inspector, demonstrating that it addresses the priority areas for improvement identified within the report. A comprehensive improvement plan was developed in 2021 with the aim of improving activity in health and social care to make services better for the people who use them. In addition, the Partnership were required to respond to a post inspection questionnaire which was also required to be submitted in November 2021. Both were submitted within the deadline. Recording and monitoring processes have been put in place to track progress against the Improvement Plan. Progress against the Improvement Plan is published and reported.

4. CONCLUSION

- 4.1 Management has accepted each of the reports submitted and have agreed responses and timescales in the respective action plans.

5. IMPLICATIONS

- 5.1 Policy – None

- 5.2 Financial – None
- 5.3 Legal – None
- 5.4 HR – None
- 5.5 Fairer Scotland Duty – None
- 5.5.1 Equalities – protected characteristics – None
- 5.5.2 Socio-economic Duty – None
- 5.5.3 Islands – None
- 5.6 Climate Change – None
- 5.7 Risk – The implementation of recommendations contained in audit reports may help mitigate the risk to the Council.
- 5.8 Customer Service – None
- 5.9 The Rights of the Child (UNCRC) – None

Paul Macaskill
Chief Internal Auditor
5 September 2024

For further information contact:

Paul Macaskill, Chief Internal Auditor

Tel: 01546 604108

Email: paul.macaskill@argyll-bute.gov.uk

APPENDICES

1. School Funds and Management of School Funds – To follow
2. Education Maintenance Allowance
3. Adult Support and Protection - HSCP